

ENERGY DEFICIT COMMANDS ATTENTION

Washington families are beginning to pay the price of the energy shortage, and we are working hard on solutions that will address both the short and long-term solutions to this problem.

Low-income families and senior citizens in some parts of the state are getting hit with dramatic increases in their electric bills. And while we work to get struggling farmers back on their feet and restore habitat for endangered salmon, we are forced to draw down reservoirs to generate more electricity for power-hungry California. Washington families are losing their jobs at manufacturing plants, while dairy farmers and other small businesses are being threatened.

Local public utility districts are being forced to bring diesel-burning generators on line to protect local rate-payers from the energy shortage, while in California power



plants have been closed because they don't meet that state's more stringent environmental rules.

That's why we've asked Gov. Locke and Attorney General Christine Gregoire to file suit against the state of California. We want to recover the cost of soaring electricity rates that our utilities and their customers have been forced to pay here in Washington, as well as reparations for the damage to our environment and agricultural communities cause by California's mismanagement of its energy system.

Washington's energy crisis may have been sparked by power-hungry California's demands for electricity, but it was fueled by years of energy resource mismanagement by state government's executives. We are proposing legislation that addresses the question of energy supply, promoting conservation while encouraging construction of the new, clean power-generating facilities Washington needs.

2001
SESSION UPDATE

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REPRESENTATIVE
CLYDE BALLARD

2001 SESSION UPDATE

*Serving the citizens of Chelan and Douglas counties
and parts of Grant and Okanogan counties*

12TH DISTRICT



REPRESENTATIVE
MIKE ARMSTRONG

EARTHQUAKE UPDATE

The Feb. 28 earthquake closed the Capitol for nearly two months. However, using a hearing room as a makeshift House chamber, we were passing bills within a week.

Between the end of the regular session and the beginning of the special session, lawmakers were able to return to the Legislative Building, even though many repairs are yet to be made. That means our office addresses and telephone numbers are back to normal. We hope to hear from you.

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Dear friends,

The regular legislative session brought progress on important issues for the people of north central Washington and for all of Washington's citizens. We adopted landmark water legislation, a set of short- and long-term solutions to Washington's energy needs, and changes that will bring more teachers into our classrooms. However, because there is even more important work left to do, the Legislature is now in a special session.

It is our intent to emerge with a responsible, sustainable state budget, a long-term solution to the transportation issues our ever-growing state faces, and more relief from the regulations that are hurting our families and businesses.

We do not want to spend one more day or one more dollar than is necessary to bring this session to a successful conclusion. We will be here protecting your interests until that time comes, but we certainly hope it's not long before we are home to stay.

Sincerely,

Clyde Ballard
Co-Speaker of the House

Mike Armstrong
State Representative

REVENUE FORECAST REFLECTS COOLING ECONOMY:

The most recent revenue forecast shows a downturn in revenue collections for the next biennium. The state will collect approximately \$111 million less than expected over the next two years, due mainly to our weakening economy.

House Republicans are currently engaged in negotiations with our Democrat colleagues on an operating budget for the 2001-03 biennium. We will be working in a bipartisan fashion to develop a responsible spending plan that will protect the taxpayers from unnecessary tax increases.

We are working under three guiding objectives:

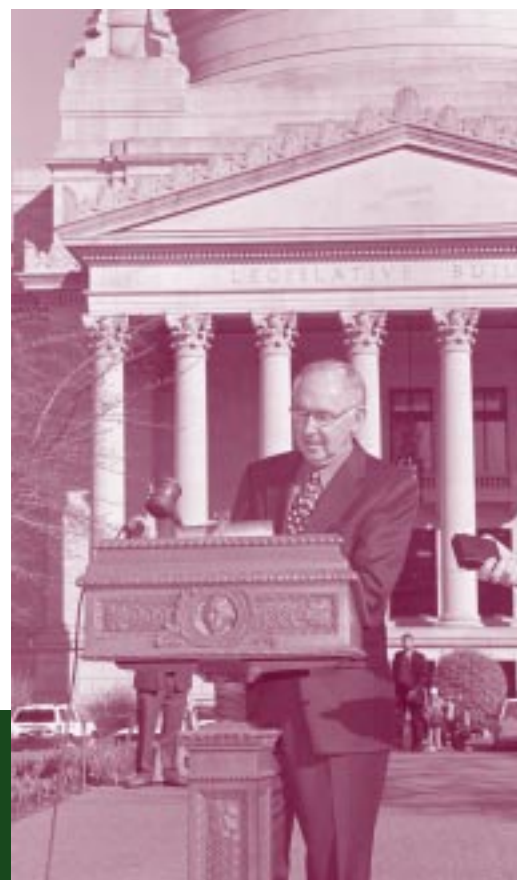
BUDGET OUTLOOK CALLS FOR CAUTION

- ▶ **We will insist on a budget that is sustainable.** The programs and services funded by the government must be supported by available resources – both now and into the foreseeable future. We will not authorize a level of spending that cannot be sustained and will put taxpayers in jeopardy.
- ▶ **We will protect services for those who truly need government assistance.** There is no question government will be required to prioritize. The governor, in his budget proposal, made an earnest effort to cut costs in a number of areas. We may not agree with all of his cuts, but there is room for agreement. We will streamline administrative costs where possible while protecting programs that provide services for the truly needy, including the elderly and people with developmental disabilities.
- ▶ **We will respect the wishes of voters with regard to all initiatives,** including those that call for increased spending (I-728, I-732) as well as those that limit government spending (I-601, I-695).

BUDGET FACTS FOR THE 2001 - 03 BIENNIUM

- ✓ The cost of simply continuing current services is \$22.5 billion.
- ✓ The cost of complying with Initiative 732 (providing automatic teacher pay raises) is between \$328 million and \$433 million, depending on legal interpretations of the initiative.
- ✓ The sharp increase in health care inflation will add about \$1.2 billion in costs to the state this biennium.
- ✓ Initiative 728, which directed money out of the state general fund to local school districts, will reduce state general fund revenues by \$392 million.
- ✓ Expected revenue for the 2001-03 biennium is \$22.22 billion.
- ✓ The governor's proposed budget would spend \$23.07 billion.
- ✓ The Senate Democrats' proposed budget would spend \$22.843 billion.
- ✓ The bipartisan House budget proposal would spend \$22.7 billion.

Although the Capitol remained closed, lawmakers went back to work quickly following the Ash Wednesday earthquake. On March 6, Speaker Ballard presided over the first ever outdoor session of the House of Representatives, while building inspectors continued to assess damage caused by the 6.8-magnitude quake.



LAWMAKERS LOOK TO BACK UP DROUGHT DECLARATION WITH ACTION

The governor recently declared a disaster in our state as a result of the current drought conditions. Rainfall is currently running at 58 percent of normal for the year and reservoirs are at half of normal levels.

The fact that we're experiencing a drought is not news to the residents of central Washington. What we still don't know, however, is what the governor and Department of Ecology are going to do to offer relief to our farm communities.

Farmers are still dealing with an economic downturn that began in 1997 with the Asian financial crisis. Commodity prices have never recovered and growers are finding it increasingly difficult to compete with foreign producers who operate under less restrictive labor and regulatory standards.

Many sectors within the agricultural community are struggling economically to survive. And now there are discussions within DOE about possibly shortchanging agricultural water rights. This is unacceptable, and we will do everything in our power to stop such an outrageous action.

The people are our first obligation, and state agencies need to understand that priority. We are proposing a number of measures that will offer needed relief for our farm families, and we're calling on the governor to support this legislation:

- Making changes/fixes to the state's water law to allow for water transfers and incentives to conserve and

use water more efficiently (HB 1832 & HB 1769)

- Providing much needed tax relief to farm communities (HB 1339, HB 1765, HB 1886, HB 1887, HB 1888, HB 1906, HB 2138, HB 2070)

- Promoting rural economic development (HB 2056)

- Providing more flexibility in the Growth Management Act to help our farmers. (HB 1151)

- Authorizing the Legislature to amend the new shoreline regulations (HB 1656) and allowing an exemption for agriculture from the Shoreline Management Act (HB 1903 & HB 1947)

- Increasing local control over agricultural burning (HB 1034)

- Rolling back harmful regulations (e.g., postponement of ergonom-

ics implementation (HB 1127 & HB 1896)

- Improving commodity prices by marketing Washington agricultural products worldwide (HB 1891)

- Providing relief to cattlemen whose rangeland is overgrazed by deer and elk (HB 1752)

A drought declaration that does not include these remedies is merely empty rhetoric. Our farm communities deserve more than words – they deserve and need action that truly addresses both the water and the economic crisis.



Rep. Armstrong spoke during the regular session's final week in favor of a bill to give a tax exemption on farm equipment and machinery.